

BUNKERSPOT



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FUELING THE FUTURE:
Technology to the rescue

That will do nicely!

Patrick McGrath, Project Manager of SEACARD, and Kelly Peterson of Multi Service Corporation outline the benefits of the US Defense Energy Support Center's new SEACARD Program



In October 2005, the Defense Energy Support Center (DESC), a division of the US Department of Defense, commenced the roll-out of its new and innovative SEACARD Program.

The Ships' bunkers' Easy Acquisition (SEA)CARD Program is the DESC's worldwide marine fuel procurement programme. The SEACARD Program is designed to make marine fuel procurement, and the resulting payment process, more efficient for vessels and merchants. Programme participation is available to DESC-approved vessels used by US Department of Defense agencies, the **US Coast Guard**, as well as both contract and non-contract suppliers throughout the world.

Multi Service Corporation was awarded the SEACARD Program contract by the DESC's Program Office in September 2004, and along with programme subcontractor **BP Marine**, will work to provide the administration and management of the SEACARD Program.

Multi Service Corporation, headquartered in Overland Park, Kansas, is a respected international transaction processor specialising in the development, administration, and management of

'The advantages of this programme to the DESC are manifold'

customised processing solutions for clients in the aviation, ground transportation and marine industries.

The SEACARD Program is a technologically-advanced web-based order management system. The SEACARD Program operates from the custom-built web operation SEACARD Order Management System (SCOMS). SCOMS connects vessels and merchants together through an online automated process for placing fuel orders and enquiries. Through SCOMS, vessels can initiate fuel requests online and, in turn, merchants can electronically respond to those fuel requests. Most importantly, SCOMS electronically captures specific fuel delivery information, including fuel

type and quantity, needed for accurate transaction processing – virtually eliminating paper processes and streamlining the entire transaction process.

Pilot

As the SEACARD Program is a new marine fuel procurement programme, a pilot test is being conducted to ensure smooth implementation. The pilot programme commenced in early October, lasting several months, to include 13 vessels and 20-30 contract merchants utilising SCOMS for all contract fuel requirements. This pilot test will serve as a rigorous test to identify any future enhancements for full programme launch in early 2006. Full programme implementation will include up to 400 Department of Defense vessels and include the addition of the open market purchases for non-contract fuel. The SEACARD Team intends to sign up 250 supply locations for the first year alone.

How SEACARD works

Utilising SCOMS is simple and hassle-free for users. Appropriate military (end user) personnel log into the secure SEACARD website to place a fuel order request. Users can place fuel order requests for current DESC contracts or submit an order for open market purchases open for bid by all port merchants. Once a fuel request has been submitted, SCOMS automatically generates an email to the appropriate merchant for response. Merchants are then directed to the specific order in SCOMS and can either accept, decline, or make a counteroffer.

Upon order acceptance, the vessel and merchant arrange fueling logistics and fueling takes place. After fueling, merchants enter all delivery and transaction details directly into SCOMS. This electronic capture of transaction details ultimately enhances the entire transaction and payment process eliminating the wait time associated with typical paper transaction processing. SCOMS also reduces billing errors because delivery details are verified by customers before transaction processing ever takes place.

After fueling, merchants enter all delivery details and the customer is notified to log into SCOMS and verify the details are correct before transactions are ever

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submitted for processing. Once a customer approves the delivery details, the transaction is submitted for processing and SCOMS generates an electronic invoice that is electronically transmitted to the **Defense Finance Accounting Service (DFAS)** for payment. Electronic submission of invoices for payment eliminates the time consumption and frustration often associated with current manual processes.

Locating contract merchants is also simplified in the SEACARD Program. Customers can search for existing contract suppliers using the 'Port Locator' application in SCOMS. Users simply enter a set of search criteria, such as port name or city name, and all merchants matching the criteria

entered automatically populate the screen for users to choose from. Alternatively, in those locations where no contract suppliers are available, customers can search for and identify qualified suppliers and send requests for bids for open market purchases using the same Port Locator application.

Why change?

After reviewing its current fuel procurement processes, the DESC decided on a number of desired process changes to improve efficiency and speed of transactions. These included making ordering processes easier and more accessible, reducing paper flows, accurate matching of orders to invoices and more efficient capture of procurement information.

Key enablers would be leveraging current purchase card technologies and developing a secure system to capture order, delivery and invoice data accurately, first time around, at source. The end result to this study is the SEACARD Program developed by Multi Service Corporation and BP Marine. This programme is consistent with increasing adoption of purchase card programs to streamline other procurement processes within the Department of Defense and complements the existing DESC AIR Card and Fleet Card Programs.

Customers and merchant training

Extensive training materials have been developed for SEACARD cardholders and merchants. Face to face training sessions have been conducted for DESC, **US Navy**, **US Coast Guard**, and **Military Sealift Command** personnel and sessions will continue to ensure complete user comprehension of SCOMS. These trained personnel, in turn, will train additional users



in the military services as the complete programme is rolled out.

Contract and enrolled non-contract suppliers will receive training, commencing in October.

SEACARD marketing

The SEACARD team will be actively promoting the programme over the next few months through a combination of exhibitions at industry shows and conferences, press releases, trade press articles and direct contact with suppliers.

A formal 'kick-off' ceremony celebrating the launch of the pilot programme and hosted by Vice-Admiral Lippert, Director of the **Defense Logistics Agency**, and Richard J. Connelly, Director of DESC took place on 6 October in Norfolk, Virginia.

Benefits for DESC customers

The advantages of this programme to the DESC are manifold. The SEACARD Program streamlines the marine fuel procurement process and transaction process by reducing paperwork and manual process. It also provides cardholders with expanded fuel supply options through a world-wide

network of merchants and will provide the DESC with unprecedented information on fuel procurement activities. This in turn will help the DESC improve its procurement processes and strategies. It will also help to meet its goals of timely reimbursement of suppliers. Customers can now place fuel order requests 24 hours a day, seven days a week via SCOMS, and the SEACARD Support Team provides around-the-clock customer support.

Benefits for merchants

By enrolling in the SEACARD Program, merchants will have access to a multitude of benefits. Enrolment will be streamlined and becoming a SEACARD merchant is simple, as long as the merchants meet the defined SEACARD criteria (see box) and agree to the terms and conditions of the programme. SCOMS will improve transactional efficiency, replacing the traditional paper-based communication with the DESC and should, in turn, speed up payment for fuels and services. In addition, a SEACARD support team will provide 24/7 support to suppliers needing assistance and will help facilitate any delivery or billing related disputes.

SEACARD Merchant Criteria

Merchants eligible for SEACARD membership:

- May not be listed on the Government Prohibited Parties List at www.epls.gov or Office of Foreign Assets Control (OFAC) Specifically Designated Nationals (SDN) list at www.treas.gov/offices/enforcement/ofac/sdn/
- Must be able to effectively access and interact with the SEACARD website via internet connection
- Must be accessible for communications 24 hours a day, 7 days a week
- Must agree to all the terms and conditions of the SEACARD Merchant Agreement
- Must meet prescribed standards of financial viability
- Must meet local and marine industry health, safety and environmental quality and assurance standards.

Specifically

- Must warrant that they and any relevant subcontractor are in compliance with the International Convention for the Prevention of Pollution from Ships (MARPOL), including latest amendments
- Must warrant that they and any relevant subcontractor are in compliance with the International Convention for the Safety of Life at Sea (SOLAS), 1974, including latest amendments
- Must warrant that they and any relevant subcontractors are in compliance with the International Safety Guide for Oil Tankers and Terminals (ISGOTT)
- Must warrant that they follow and any relevant subcontractors are in compliance with the **Oil Companies International Marine Forum (OCIMF)** operating guidelines
- Must warrant that all fuel quality is in compliance with ISO 8217 Standard for marine distillate and marine residual fuels or, where applicable, alternative military or industry specifications.